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ABSTRACT

Academic man is now, more than in earlier times, economic and political man. The parties interested in or affected by faculty salaries are: (1) faculty members; (2) other college employees; (3) executive officers and institutional boards of control; and (4) benefactors or funders, including students, philanthropists, state coordinating bodies, state executive officers, and government agencies. Six issues can be isolated in the question of one-year salary increase policies: (1) What should be the overall percentage or average dollar amount increase in faculty salaries?; (2) To what degree should the academic salary policy be based upon market considerations, and what is the appropriate market?; (3) Should the policy differ by academic rank or discipline?; (4) Should the academic policy and the nonacademic policy be uniform?; (5) To what degree will increases be based on merit, cost-of-living, and equity considerations?; (6) How is merit to be determined? The politics involved in the development of a long-range policy may be easier to contend with than those of establishing ad hoc annual policies. (Author/MSE)

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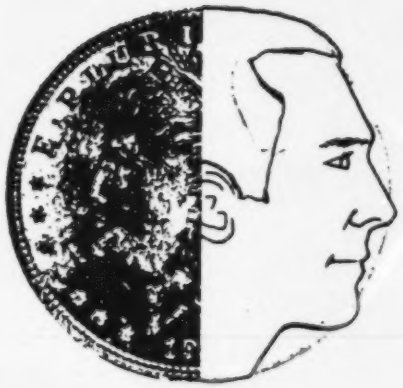
THE POLITICS OF FACULTY SALARIES

by

Joe L. Saupe



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THE POLITICS OF FACULTY SALARIES

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I would like to begin these remarks with a hypothesis about the times in which we live -- the times which cause this conference to be taking place. Very simply, I wonder if a conference on ethical and economic issues of academic salaries would have attracted much attention forty or fifty years ago. My hypothesis is that academic man is now, more than in earlier times, economic and political man. I hope I am not so naive as to think that academic people have never had concerns about their economic welfare and standard of living or about their influence on the conditions and environment of their practice of the academic life. Maybe it is, in part, the romantic in me that causes me to suspect that the honor, dignity, and privilege of professorial life were, in years past, important components of the compensation for that life. And maybe it is the cynic in me that causes me to suspect that such attributes now constitute a much diminished component of total compensation for the professor. What remains is economic compensation and new types of prestige. But this is what I see.

Maybe the circle of my experience is small, but I have seen deans, department chairmen, and faculty members expending much

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energy worrying, arguing, and maneuvering about dollars, about budgets, and in public institutions about state budget allocation formulas and related matters. Such expenditures of energy complement those of faculty collective bargaining and contribute to the evolution, according to my hypothesis, of academic man into economic and political man.

Now none of us are or should be expected to be ambivalent about our economic well-being and about it in comparison with others or about our ability to influence how we conduct our professional lives. It is the effects of the evolution which disturb me and there are two to which we should be alerted: (1) Energy devoted to worrying, arguing, and maneuvering about dollars drains the reserve available for doing higher education, for attending to students and scholarship, and in particular for reflecting upon the substance of the business of the college or university. The question is are we worrying more about our personal and departmental income and less about how we can improve our program offerings, our nurturing of students, and our scholarship. Also, is economic and political man the role model we wish to set for the students entrusted by society to us? (2) Attention given to dollars can produce behavior which is unbecoming academic man. Enrollment counts have been overstated and course numbers have been changed, because of budget allocation mechanisms. Faculty members speculate on what is the most advantageous way to report how their time

is spent. The state coordinating board or the administration is told one thing about degree program offerings and students are told another. History professors, untrained in college and university accounting and finance, ignore principles of scholarship in offering interpretations of the university's budget. Examples abound. It can be argued that there are faults with the system and that it deserves to be gamed. But this does not make us feel much better about academic man playing economic and political games.

With that hypothesis as context, I turn to my topic, the politics of faculty salaries. The question is what will be the substance of faculty salary policies and a broad array of issues is included. The topics of this conference identify a number of them. Politics are involved, because perspectives vary. The several parties interested in or affected by academic salary policies bring differing perspectives to the decision arena and the arena is, thus, political.

Included in the political arena are, among others, (1) faculty members, (2) other employees of the college or university, (3) executive officers and institutional boards of control, and (4) benefactors or funders, including students, philanthropists, state coordinating bodies, state executive officers, and legislators, and even agencies of the federal government. I do not propose that this list is definitive or that the categories are completely

homogeneous in perspectives. It is simply a listing of manageable length which provides a basis for examining and raising questions about the interests of the various participants and about the considerations each might suggest be brought to bear on issues of academic salary policy.

In what follows I ask that any overdrawing or purification of perspectives be forgiven. Just like statistics, generalizations are useful even though they never apply to individual cases.

The perspective of the faculty member is conditioned by interest in personal income, by the academic market place as reflected in individual and average salaries, and by the consumer market place. The faculty member is likely to be more interested in cash salary, if not take-home pay, than in total compensation, but is far from disinterested in certain components, at least, of the fringe benefit package and prefers non-contributory fringe benefit plans. The faculty member's perception of extra-compensation is that indeed it is extra; it is payment for service beyond that expected by the basic, full-time, contract and it is private. Distinctions between internal and external consulting are seen as artificial at best.

Non-faculty college and university employees view academic salaries as competitive with the pay they take home. They are likely to prefer salary schedules and across-the-board salary decisions, to perceive merit and percentage salary decisions (for

the faculty) as unfair devices which widen the academic versus non-academic salary gap, and to favor income-redistribution institutional salary policies. To the non-academic staff over-time pay and shift differentials may be more legitimate than academic extra-compensation.

College and university executive officers and boards of control, while by no means indifferent to faculty economic welfare, have responsibilities which dictate the perspective of academic salaries as a utilization of institutional resources. Each dollar going to academic salaries or compensation is a reduction to available resources and is unavailable for other uses. Extra compensation received from a source external to the employing college or university is at least condoned, but the president and board of control may wonder about the propriety of service to the employing college or university which, somehow or other, causes the faculty member's fte to exceed 1.00.

The perspective of the benefactor is that of getting a dollar's worth of higher education for each dollar made available, in relation to alternate uses of the dollar, and academic salaries may be the most salient item in the budget. Students understand that tuition is increased in order to increase academic -- and other -- salaries and may register their votes with their feet. They may wonder what it means to be a full-time professor when one is not in his or her office until ten on

Wednesdays because of a Tuesday evening extension course and another is unavailable on Fridays because of a consulting assignment. A legislator in my state recently commented that he did not believe there was a need to raise faculty salaries, because there is an oversupply of holders of the PhD.

These brief sketches of some of the various perspectives brought to the arena of faculty salary deliberation, while far from definitive, do indicate that the perspectives vary and that controversy about academic salary policy should be expected. This is what politics is all about and must be the reason this conference is taking place.

Whatever political processes are used, the establishment of academic salary policy for a college or university may be viewed as involving two types of considerations. These may be labeled (1) academic salary philosophy and (2) academic salary data. I suggest that these considerations should be brought to bear in the sequence indicated here. First, a philosophy is established. Then, as suggested by that philosophy, data is consulted for the purpose of establishing specific features of the policy. I am not insisting that the two steps be discrete. There will be overlaps and loops in the process. But the principle should be that the academic salary philosophy determines what, how, and if data is consulted.

I am afraid that in making decisions about faculty salary

policy we are overly prone to go directly to the data without thinking very deeply about what information we are seeking from the data. We expect the data to provide the answers without fully knowing the questions. For example, the data may reveal that our full professors are paid relatively less than our associate or assistant professors. The obvious conclusion is that a special shot of salary increase dollars must go to full professors. But is it not possible that had we thought through our academic salary philosophy before looking at the data we might have reached a different conclusion?

Part of the problem is that it is difficult to develop and secure agreement or consensus on matters of academic salary philosophy. It is difficult because it is a demanding intellectual task and because of the variety of perspectives which must be considered in the process. It is easier to go directly to the data, because it exists and because we have been led to believe that the data have been assembled for the specific purpose of making our lives easier. Haven't we been told all about the value of data in facilitating the decision-making process?

The rest of the problem is that the data we consult is presented in categories and on the basis of definitions and distinctions which have no necessary relation to what should be the academic salary policies of any given college or university. The questions the available data answer may not be the questions we

would ask, if we had developed the questions before we sought out the data. The AAUP faculty salary data may or may not answer the questions we should be asking. The data carefully assembled by our own office of institutional research may answer the questions the director of that office believes are the central ones, but are this director's questions derived from institutional academic salary philosophy? Obviously not, if there is no such philosopy in existence.

I submit that if the academic salary philosophy is developed, we should find ourselves less inundated and less befuddled with faculty salary data. I even find it conceivable that the philosophy would be such that no faculty salary statistics would need to be consulted in order to state academic salary policy.

Now, what are some of the issues which might be involved in a college or university academic salary philosophy? For illustrative purposes, let us consider the matter of developing policy for the granting of salary increases for the next year. I will suggest several questions which may be asked in this context and will consider a few of the political and data ramifications of each. It may not be terribly unrealistic to make the simplifying assumption that the institution has no long-range academic salary policy, but that custom has been to establish salary increase guidelines on a year-to-year basis.

1. <u>What should be the overall percentage (or average dollar</u>

amount) increase in faculty salaries? Obviously, the expected increase in the total budget is, to some degree, a limiting factor, but this is far from the whole story. The perspective of the faculty may well be that every new dollar, plus some from the present administrative budget, should be allocated to faculty salaries or that increases should be, simply, as large as possible. The executive officers and board of control are forced to consider competing demands on the new dollars as well as the possibilities of creating incremental dollars by reductions anywhere in the current year's base budget. Similarly, those who provide the funds view the question in the context of alternate uses of the funds available to them and in terms of salary trends elsewhere in the economy. Clearly, such variations in perspective, in combination with the complexities of the overall budget and budgeting process, make this sixty-four dollar question a political one.

A specific consideration is that of the general increase in the cost of living, perhaps as indicated by the consumer price index. Would not all agree that academic salaries should keep pace, at least on the average, with the cost of living? I think the answer is no, not all would agree. Some, who believe in free-market-place economics, may point out that the relative values society places on various forms of human endeavor vary from time to time and that such phenomena might as well be

accepted. Others might point out that academic salaries cannot increase indefinitely, at least in comparison with salaries for other forms of human endeavor without some increases in academic productivity.

One thing this suggests to me is that we would be enlightened, even in developing academic salary policy for one year, by historical data on faculty salaries and compensation. Information on faculty salaries at the single institution and for all of higher education set alongside the inflation indicators and salary trends for other occupations and professions for a period of at least fifty years is what I have in mind. To be sure the question of the overall percentage increase in academic salaries for a given year should be considered in the context of the experience of the more recent past, say two to five years, but even recent history can be more informative when set in the long-term context.

2. To what degree should the academic salary policy be based upon market considerations? What is the appropriate market? It is conceivable to me that a college or university could quite sensibly arrive at decisions regarding academic salary policy for the next year without reference to comparative faculty salary data. I am not suggesting that the market be ignored, but the fact that the comparative data are assembled and published does mean that we are obliged to attend to it. I am suggesting that there are factors

other than the market that merit attention in the development of academic salary policy.

I must pause here to comment on a common pratice which disturbs me. This is the practice of countering offers from other colleges or universities in order to retain the individual faculty members who receive such offers. The logical extension of this practice is a salary policy which specifies that salary increases will be given only to those who can present bona fide offers of greater salaries elsewhere. Even as presently practiced, there is something disturbing about admitting that the competition does better job of evaluating our faculty than we are able to do. It is disturbing when we realize that academic people vary in the degree to which they seek economic advancement. Is the teacher-scholar who is happy and does not want to move less deserving of economic reward than the one who follows-up every applicable ad in the Chronicle?

The second part of the market question asks which market. The public colleges and universities of many states must contend with the view from the state house that all state government employees, including professors be treated similarly, at least with regard to salary increases. The salaries of accounting professors have certainly been compared with state government accountants. The public colleges and universities are politically wise to pay some heed to the state house perspective.

It might be suggested that the salaries of professional school faculty should approximate the incomes of non-academic professionals in corresponding professions and with the same levels of education. Certainly, the compensation of the MDs in our medical schools are influenced by the market of the medical profession. Why not others?

Normal practice is to compare faculty salaries within a group of "peer" colleges or universities on the basis that the peer institutions constitute an actual or intended market place. The identification of peer group can involve differing perspectives. The faculty or an ambitious president may wish to move average faculty salaries up the collegiate pecking order; the board of control may believe it is fine where it is; and the people in the state house may suggest a salary schedule for all college and university faculty in the state.

As a matter of fact, the academic market probably varies among the several departments, schools and colleges of a university. The institutions competing with the school of engineering for faculty is probably not the same set as those competing with the department of music. To what degree is or should this situation be recognized in the academic salary policy?

Those who assemble and publish faculty salary data typically recognize that average salaries vary by type of college or university and provide us with ready-made "peer" groups. The AAUP has their

categories and rank-specific percentile ratings; the National Center for Educational Statistics and others recognizes categories of public and private institutions by level and type of offering; and the National Association of State Universities and Land Grant Colleges prepares reports for its member institutions. Athletic conferences have been used as peer groups for average salary comparisons. Ready-made peer groups should not be adopted uncritically. What constitutes the actual market can be determined; explicit criteria by which to identify the peer group we aspire to be like can be specified and applied. How we would like our faculty salaries to compare with those of the peer group is another question. Being at the top or at the mid-point are not the only possible answers.

3. Should the academic salary policy differ by academic rank? By discipline? The salary increases granted for the forthcoming year will, of course, preserve differences among average salaries by academic rank. The question is are the present differences the desired ones? If it has been difficult to attract and retain young faculty or if senior faculty persons have been lost to better offers, then special consideration for one of these rank categories may be indicated. The politics are that any diversion of dollars available for salary increases to one rank is a reduction in the dollars available for another. The least controversial policy is probably the one which ignores the issue.

Even if our salary averages by rank do not differ in the same way as the averages in the peer group data, we may decide that for our institution the averages vary as they should. Factors associated with the composition of our faculty, or with intentions regarding its composition, by rank can provide explanations which will be persuasive to at least some of those responsible for or affected by the salary policy.

The question regarding discipline differences may be a more interesting one. Clearly the non-academic and academic markets have produced real variation in academic salaries by discipline. Prevailing salaries for professors of business, computer science, law, and mathematics exceed those for professors of education, fine arts, and humanities, but the rankings of the average salaries by discipline differ among the academic ranks. The question, again, is whether the economic market place should be permitted to determine and perpetuate salary differentials in our college or university. Do we mean to imply that the services of the professor of art are less important to the university or to society than those of the professor of management? Some will argue that the contributions of the liberal arts disciplines are more fundamental, hence more valuable, to the university than those of the professional fields, but I choose not to enter this argument.

4. <u>Should the academic salary policy and the non-academic salary policy be uniform?</u> As already suggested this question is

involved in the politics of academic salaries. I have been intrigued by the fact, at the places with which I am familiar, that an academic person can be appointed as an Instructor and move through the ranks and up the salary ladder with only modest apparent change in his or her official responsibilities, while the support personnel who grow in competence and quality of contribution are bound by rigid salary scales and job descriptions which recognize qualifications and responsibilities, but not expertise. Perhaps I need a course in personnel management.

The differences among across-the-board dollar amount salary increases, constant percentage salary increases, and individually determined salary increases are economically real. Real differences, in absolute dollars or percentages, result from the use of different salary adjustment mechanisms with different classes of personnel and the differences are obvious. Even if a majority of the so-called non-academic staff claim a preference for across-the-board mechanisms, one can still ask whether or not merit determinations and salary adjustments based thereon for all personnel would not be beneficial in the long run.

It is important to recognize that the market for various classes of personnel vary. The faculty market is not the same as the clerical market. The market for specialized middle-management persons may be different from that of either of the others. This fact, alone, may mean that some features of the academic salary

policy should differ from those of the non-academic policy. To the degree market forces are considered in the salary policies, these variations in markets have clear implications for what salary data need to be consulted.

5. To what degree will academic salary increases be based upon merit, cost-of-living, and equity considerations? Normally, a pool of money to be used for salary increases is identified during the budgeting process. It may be released to deans and chairmen with or without restrictions as to how increases for individual faculty persons are to be determined. The argument in support of salary increases on the basis of merit -- and I do not include longevity -- is simply that the merit salary policy contributes to the goal of building quality in the faculty. The rationale is that the quality of past performance is the best indicator or predictor of the quality of future contributions. The merit salary increase is not so much a reward for past performance as it is compensation for future performance. The importance of this view of the merit increase becomes clear when the cumulative nature of annual salary adjustments is considered.

One argument against the merit increase policy and for the cost-of-living policy is that of social justice, that after an initial academic appointment the individual's salary should at least retain its value in real dollars. Complaints that merit policies cause the rich to get richer and poor to get poorer are

heard. The concept of discretionary income is introduced as a basis for justifying uniform dollar amount or other regressive salary increase policies.

The other argument is that merit is unassessable and that the long-range impact of so-called merit-based salary increase policies are therefor actually based upon factors other than merit and are counterproductive in terms of contributing to the development of quality in the faculty. Longevity and cost-of-living are, by this argument, the only valid bases for awarding salary increases.

The question of equity with regard to sex and ethnic groups is a fundamental one and must be faced, probably as a first priority component of the academic salary policy. The difficulties of establishing the existence of and degrees of inequity in quantitative terms are well known and do not require review here. I will suggest only that the issues are very similar to those of the merit versus cost-of-living and longevity salary increase question.

Equity among the several disciplines is another question. Even if the basic policy is that average salaries should be expected to vary among the disciplines because of market forces, it is possible that relative to the varying markets the average salaries of the faculty in some disciplines are relatively lower or higher than in others and special adjustments may be suggested

to rectify these inequities. Of course, in considering such inequities it is necessary to know whether or not they are real and not simply the product of accidental or even intentional variation among the disciplines in faculty quality or merit. Here is a special case in which informed judgement is at least as important as market data.

The data required to establish cost-of-living salary increase policy are simply some cost-of-living factor. If some income redistribution is to be involved, the principal need is for philosophy and not comparative salary data. If equity among disciplines is to be considered then the internal average salary data must be at hand and, if market considerations are considered important, the peer institution data must be displayed by discipline. If merit is to be involved, either as the basic salary increase policy or in equity considerations the principal type of information needed is that of the merit of individual faculty members and of the faculties of schools and colleges and departments. This takes us to my final question.

6. How is merit to be determined? I will resist reviewing the massive literature on faculty evaluation, but will suggest that the issues of faculty evaluation must be faced and that there will be varying perspectives on these issues. The questions include the following: (1) What categories of professorial behavior should be assessed? (2) What are appropriate assessment methods? (3) How are

the resulting multiple measures combined to form a merit indicator which translates to salary increase dollars? (4) To what degree should the procedures vary among the several disciplines? (5) Can determinations of differences among academic units in overall faculty merit be made and translated into differential allocations of increase dollars? These questions suggest others. Some sub-questions may be answerable with research data, but questions of philosophy will and perhaps should predominate. Points of view will differ and politics will be involved.

Now that I have suggested and offered comments on these six questions largely in the context of the specification of a one-year salary increase policy, I must assert that this is the wrong context in which to deal with such questions. What each of our colleges and universities needs is a general or long-range salary and compensation policy which is based more on philosophy than on data and which can guide the required annual decision processes. Such a long-range policy would not be immutable, but it should lead to some degree of consistency in its year-to-year application. It would be based upon the ethical and economic issues which are the subject of this conference. I suggest that the politics involved in the development of such a general academic salary policy, while far from trivial, may be easier to contend with than the politics of establishing ad hoc annual policies, and that with the general policy in place the politics of the annual decision processes may be more subdued.